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GSU
Economic
Forecasting
Project
Newsletter

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MONTHLY PROJECTIONS FOR OCTOBER 1979

Data Revisions on Employment Statistics and the
Federal Reserve Action to Defend the Dollar Indicate a
Serious Correction is Needed.

In order to deliver our latest projections based upon a surprising revision of establishment employment and the Federal Reserve dollar defense action, this commentary on the monthly projections will be relatively short. Our normal analysis of changes in various components will be deferred until our next regularly scheduled monthly projection.

Data Revision for Establishment Employment

Along with the surprising announcement that unemployment declined from 6.0% in August to 5.8% in September, the employment situation report for the month of September contained new benchmark revisions for establishment employment. For the month of June, this revision increased estimates of establishment employment by 923,000. Moreover, the initial underreporting of establishment employment was progressively worsening as 1979 continued. Two significant changes were the result of this benchmark revision. First, the gap between employment as measured by the payroll data and employment as measured by the household survey was sharply narrowed. In particular, household employment exceeded establishment employment by 7.8 million in the three quarters ending in the first quarter of 1979. During the second quarter, the gap narrowed to a 7.1 million discrepancy as a result of a sharp plunge in household employment during April. In the summer, the gap widened somewhat to 7.4 million, but remained significantly below the 7.8 million average that prevailed prior to that time. As a result, it appears either that the establishment employment currently is being overstated (employment and transportation equipment continued to rise throughout the summer despite announcements of significant layoffs in the automotive industry) or the household employment soon may spurt. If the latter condition prevails, employment growth may be sufficiently vigorous on the household basis to prevent any substantial upward movement of the unemployment rate until the beginning of 1980. At that time, however, substantial increases in unemployment would be expected.

Second, the index of hours worked was revised upward by 1.3% in June alone. This

means that the underlying productivity is even worse than had previously been announced. As a result of this change, the cyclical downturn in productivity appears to be approaching the magnitudes that were recorded early in 1974. While this explains why economic activity has remained surprisingly robust through the summer, it also suggests that any significant erosion of profitability could lead to the same dramatic rate of layoff that occurred for several months in the previous recession. Moreover, the lower rate of productivity provides some explanation of why the underlying inflation rate has continued to accelerate in the latter months of the summer.

Indeed, the upward revision on the index of hours worked raises considerable doubt as to whether a recession has yet begun. According to preliminary data, the index during September reached an all time high. This index never reaches all time highs after recessions have begun. While the beginning of the recession may still be dated from April as a result of the relatively weak performance of industrial production, it should be remembered that hours worked is a component in the industrial production measured. Thus, the upward revision in the index of hours worked could lead to an upward revision in estimates of industrial production. Therefore, the recession may not have begun. On the other hand, the imbalances in the labor markets are so substantial at this time that when the recession does begin, it could be much more severe than most people currently are anticipating.

Implications of Federal Reserve Package

Virtually everyone was anticipating some form of a dollar defense after the IMF meetings adjourned in Belgrade, Yugoslavia. Thus, the weekend actions taken by the Federal Reserve should not have been a surprise. Certainly, a one percentage point increase in the discount rate could have been anticipated. The 8% reserve requirement on incremental liabilities of Euro-dollars, repurchase agreements, and other large term certificates of deposit were somewhat more surprising. Apparently, the marginal cost of funds raised by commercial banks was in those repurchase agreements. Thus, the one percentage point increase in the discount rate and the 8% reserve requirements on all new borrowings meant that the cost of raising new funds was increased by almost two percentage points. Moreover, the Federal Reserve clearly indicated that it wished to establish some control over the growth of bank liabilities that have contributed nearly 50% through the expansion of liquidity during the last year. The third program was to acknowledge that the Federal Reserve no longer would utilize the Federal funds rate as a mechanism to engage in its open market operations. Rather, it would pursue a program of managing the monetary aggregates. Furthermore, the original targets for those aggregates ($1\frac{1}{2}$ -4% growth in M1 and 7-9% growth in M2) were not altered.

The immediate response to the Federal Reserve moves were substantial increases in short-term interest rates, with certificates of deposit rising more than 2 percentage points along with increases of that magnitude in the Federal Funds rate. If, indeed, the incremental cost of acquiring money at commercial banks were dictated by the repurchase agreements, such an increase was warranted by the actions of the Federal Reserve. Commercial banks immediately increased their prime rates by one percentage point and almost certainly will increase rates again by more than $\frac{1}{2}$ percentage point if current borrowing costs remain at these newly established levels. Initially, sharp increases in short-term interest rates in the United States also caused significant improvement in the value of the dollar. Indeed, according to some measures, the dollar rallied by more than 2 percentage points. This would be exactly equivalent to the expected yield differential created by the actions of the Federal Reserve.

Of course, the package also was designed to reduce inflationary expectations. For

some time, some economists had argued that if the Federal Reserve pursued a policy of maintaining control growth over the aggregates, the underlying inflation rate would begin to recede. Of course, the market would have to believe that the Federal Reserve would persist in this policy. This latter assumption remains to be established, although the seven to nothing vote to raise the discount rate by a full percentage point certainly suggests that the will to fight inflation has been rekindled at the Federal Reserve. Nevertheless, the package should have had some marginal effect upon inflationary expectations to the extent that policy decisions impacted those expectations. (According to one school of thought, the rational expectationists, changes in policy should lead to proportionate changes in expectations once that policy is perceived to continue). Under those circumstances, further moderate firming of the dollar should have preceded beyond the initial two percentage point rally. In addition, long-term interest rates, which reflect inflationary expectations, should have remained firm or actually declined as a result of the package. Neither event has occurred. While one experiment does not necessarily disprove a theory, rational expectations need to be seriously reviewed as a foundation for pursuing governmental policies. Certainly, the predicted response to this package according to the rational expectations theory did not occur.

Actually, long-term interest rates increased because the arbitrage potential between short-term and long-term interest rates became so substantial that a failure of the long-term rates to move upward in light of this dramatic movement in short-term rates would have been unprofitable. It will now be necessary for short-term interest rates to begin to decline before any significant rally can develop in long-term debt instruments.

What the markets apparently are beginning to realize is that short-term interest rates finally have exceeded the underlying inflation rate. As a result, a movement towards inventory liquidation, especially in the materials area, is increasingly likely. This will increase the likelihood of a severe economic downturn in the near future. This accounts for the catastrophic drop in stock market prices. (According to catastrophe theory, any substantial correction should be at least 10%. As a result, no support is anticipated before the 800 level. Thus, our expectation of last month that the stock market low will be recorded in October and possibly tested in December appears to be accurate).

We still believe that inflation will move to single digit levels in December and early in 1980 before a new OPEC price increase causes a slight retreat towards double digit levels in the spring of that year. After that time, movements towards single digit levels should become much more pronounced. In addition, the recession should be relatively sharp, leading to the possibility of inventory liquidations. Under these circumstances, interest rates should begin to fall from their peaks before the end of 1979. Some rally potential in long-term bonds is possible by that time.

Profile of GNP

	<u>%Change 1979-2</u>	<u>%Change 1979-3</u>	<u>%Change 1979-4</u>	<u>%Change 1980-1</u>	<u>%Change 1980-2</u>	<u>%Change 1980-3</u>
Real Economic Activity	-2.3	+1.6	-3.3	-5.7	-2.6	+2.4
Price Deflator	9.3	9.6	10.6	8.7	8.3	8.7

Monthly Highlights

September 1979

Personal income, +0.9%; wage and salary earnings, +0.8%; industrial production, +0.3%; manufacturing inventories, +1.2%; business inventories, +1.3%; durable goods orders, +0.9%; nondefense capital goods orders, +2.7%; housing starts, +1.6%; housing permits, -6.7%; construction expenditures, -1.1%; CPI, +1.2%; merchandise trade balance, -2.54 billion; leading indicators, -0.3%.

October 1979

Hours, worked, -0.1%; unemployment rate, 5.9%; hourly earnings index, +0.9%; personal income, +0.6%; wage and salary earnings, +0.8%; consumer credit, +2.8 billion; auto sales, 10.4 million, retail sales, +0.1%; industrial production, -0.1%; manufacturing inventory, +0.1%; business inventories, +1.1%; durable goods orders, -3.1%; orders for nondefense capital goods, -6.7%; housing starts, -4.7% building permits, -2.1%; construction expenditures, -0.1%; CPI, +1.2%; PPI finished goods, +0.9%; agricultural prices, +1.0%; merchandise trade balance, -3.09 billion; leading indicators, -0.8%; M1, 7.0% annual rate; M2, 5.4% annual rate.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Employment		Unemployment Rate		Hourly Earnings Index	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	88539	89398	123.9	125.4	96318	96318	5.8	5.8	227.4	227.5
June	88709	89626	124.1	125.7	96754	96754	5.6	5.6	228.6	229.0
July	88753	89713	124.1	125.7	97210	97210	5.7	5.7	230.3	230.9
August	88773	89718	123.8	125.4	97369	96900	5.8	6.0	231.7	232.2
September	88709	89853	122.8	125.8	97369	97513	6.0	5.8	232.8	233.7
October	88526	89942	121.9	125.7	97351	97692	6.1	5.8	234.8	235.8
November	88529	89965	122.2	125.4	97335	97765	6.2	5.9	236.9	237.3
December	88715	89879	123.2	125.0	97334	97705	6.3	6.0	239.0	239.4
Januray	99712	89743	123.3	124.3	97355	97609	6.4	6.1	240.2	240.7
February	88720	89625	123.5	123.4	97346	97513	6.5	6.3	241.1	241.8
March	88731	89514	123.6	122.4	97376	97394	6.6	6.5	241.5	242.4
April	88749	89429	123.8	121.9	97395	97302	6.7	6.8	243.1	244.0
May	88766	89402	124.1	121.7	97428	97246	6.8	6.9	245.3	245.6
June	88798	89577	124.3	121.8	97578	97358	6.8	7.0	247.4	247.5
July	88886	89549	124.5	122.0	97726	97382	6.8	7.1	249.5	249.8
August, 1980	88977	89603	124.7	122.3	97812	97439	6.8	7.2	251.6	251.8

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	1.894	1.892	1.212	1.211	85.2	82.3
June	1.903	1.905	1.218	1.221	96.1	88.8
July	1.928	1.930	1.227	1.230	84.3	85.9
August	1.942	1.938	1.235	1.233	81.3	80.2
September	1.949	1.955	1.237	1.243	86.9	82.5
October	1.960	1.969	1.245	1.257	79.5	81.2
November	1.977	1.979	1.253	1.258	84.4	78.9
December	2.006	1.991	1.277	1.265	95.0	81.4
January	2.026	2.000	1.283	1.266	103.7	77.3
February	2.035	2.010	1.289	1.267	97.8	82.1
March	2.045	2.014	1.295	1.265	84.1	74.5
April	2.061	2.024	1.303	1.269	84.2	72.3
May	2.078	2.039	1.313	1.277	85.2	73.7
June	2.096	2.058	1.323	1.290	91.9	76.7
July	2.126	2.100	1.329	1.304	105.3	96.8
August, 1980	1.246	2.120	1.342	1.318	112.8	96.0

Fore. = August Forecast

C.E. = Current Expectations

RETAIL SALES

	Retail Sales		Non Auto Durables		Auto (Million Units)		Nondurable Sales	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	71.53	71.91	10.61	10.62	11.2	11.1	46.76	47.18
June	70.56	71.80	10.76	10.95	9.6	9.4	46.90	47.49
July	72.27	72.28	10.80	11.07	10.7	10.5	47.58	47.89
August	72.97	72.79	10.87	11.26	10.5	11.0	47.99	48.16
September	72.56	73.13	10.81	11.40	9.9	10.8	48.35	48.60
October	72.69	73.19	10.80	11.53	9.6	10.4	48.89	48.94
November	72.94	73.54	10.84	11.62	9.3	10.2	49.13	49.39
December	73.60	73.67	11.06	11.73	9.5	9.9	49.52	49.65
January	73.43	73.61	10.92	11.79	9.5	9.6	49.41	49.81
February	73.98	73.51	10.90	11.73	9.5	9.4	49.93	49.96
March	75.25	73.86	10.99	11.76	9.7	9.3	50.83	50.35
April	75.65	74.13	10.95	11.82	9.9	9.3	50.95	50.51
May	76.18	74.36	10.99	11.85	10.1	9.3	51.14	50.66
June	76.31	74.87	11.04	11.90	10.3	9.4	50.92	50.92
July	76.60	75.47	11.08	11.92	10.2	9.5	51.31	51.35
August, 1980	76.89	76.45	11.13	12.01	10.2	9.7	51.71	51.93

INDUSTRIAL PRODUCTION

	Industrial Production		Capacity Utilization	
	Fore.	C. E.	Fore.	C. E.
May, 1979	152.1	152.4	85.6	86.3
June	151.9	152.4	85.2	86.1
July	151.7	152.6	84.8	86.1
August	151.0	150.9	84.2	84.6
September	149.8	151.4	83.3	84.6
October	148.8	151.2	82.5	84.0
November	148.4	150.8	82.0	83.4
December	149.5	150.4	82.4	82.7
January	149.8	149.7	82.4	81.8
February	150.0	148.9	82.3	80.7
March	149.7	147.9	81.9	79.5
April	149.5	147.5	81.5	78.9
May	149.4	147.3	81.2	78.4
June	149.6	147.4	81.1	78.2
July	149.9	147.6	81.0	78.1
August, 1980	150.2	148.0	81.0	78.2

Fore. = August Forecast

C.E. = Current Expectations

HOUSING

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	1.830	1.835	1.226	1.226	1.618	1.618	216.8	223.2	114.6	114.6
June	1.935	1.923	1.281	1.2 8	1.647	1.639	223.2	224.7	112.9	114.5
July	1.805	1.791	1.221	1.225	1.551	1.528	221.5	232.7	112.9	117.1
August	1.763	1.783	1.186	1.209	1.516	1.614	223.2	229.2	112.8	113.8
September	1.652	1.812	1.064	1.197	1.413	1.506	225.8	226.6	112.5	111.7
October	1.611	1.727	1.041	1.136	1.365	1.475	226.2	226.4	111.9	110.8
November	1.533	1.653	1.016	1.063	1.293	1.392	226.6	225.4	111.3	109.4
December	1.551	1.569	1.015	1.004	1.299	1.319	225.9	223.3	110.2	107.5
January	1.615	1.521	1.074	0.951	1.340	1.264	227.5	221.2	110.2	105.6
February	1.598	1.476	1.061	0.926	1.326	1.209	228.6	219.4	110.0	103.9
March	1.524	1.412	0.994	0.873	1.284	1.153	228.4	217.9	109.2	102.4
April	1.412	1.425	0.912	0.895	1.196	1.169	228.6	217.9	108.5	101.6
May	1.397	1.477	0.895	0.942	1.169	1.222	228.9	219.2	107.7	101.6
June	1.529	1.529	0.977	0.979	1.284	1.269	231.6	223.0	108.5	102.5
July	1.582	1.553	1.022	1.003	1.316	1.293	233.9	227.0	108.8	103.7
August, 1980	1.643	1.651	1.079	1.091	1.352	1.396	236.2	232.2	109.1	105.2

HOUSING CONTINUED

	Private Non Residential		Public Construction	
	Fore.	C. E.	Fore.	C. E.
May, 1979	78.5	79.3	48.1	48.4
June	80.4	80.7	44.4	45.8
July	81.0	82.9	45.1	51.0
August	81.2	81.6	46.0	48.9
September	81.0	81.5	47.4	47.6
October	82.4	82.1	47.0	47.3
November	83.1	82.5	46.6	47.6
December	85.0	83.4	47.5	48.1
January	85.1	84.0	47.5	48.3
February	85.4	84.5	48.1	48.4
March	86.3	85.1	47.9	48.6
April	86.9	85.8	48.1	48.9
May	87.4	86.3	48.6	49.3
June	87.9	86.9	49.1	49.7
July	88.3	87.4	49.5	50.1
August, 1980	88.7	88.2	49.9	50.4

Fore. = August Forecast

C. E. = Current Expectations

BUSINESS ACTIVITY

	Manufacturers Inventories		Durable Goods Orders		Non-defense Capital Goods Orders		Non-defense Capital Shipments	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	211.3	211.1	78.82	77.03	21.79	20.97	19.44	19.04
June	214.4	214.3	77.24	75.82	23.03	21.75	19.07	18.76
July	216.8	216.9	73.12	72.48	20.55	20.23	19.63	19.39
August	219.2	219.4	73.26	74.57	20.79	21.47	19.89	20.09
September	221.6	222.0	71.14	75.25	19.85	22.06	19.95	20.13
October	223.1	224.2	71.06	72.94	19.82	20.59	19.88	20.39
November	224.3	226.2	71.79	70.83	20.32	19.42	20.43	20.45
December	226.0	228.0	72.43	71.52	21.15	19.92	20.74	20.32
January	227.9	229.8	71.89	71.26	20.86	19.53	20.84	20.40
February	229.2	230.9	71.56	70.49	20.44	19.20	20.62	20.13
March	230.5	231.9	71.39	70.69	20.65	19.39	20.74	20.05
April	231.4	232.6	72.13	69.95	21.05	19.56	20.86	19.92
May	233.2	234.1	72.53	70.49	21.36	20.03	21.02	19.89
June	235.0	235.7	72.91	70.69	21.79	20.20	21.35	19.96
July	236.7	237.3	73.39	70.41	22.03	19.95	21.68	20.02
August, 1980	238.4	238.8	73.91	71.92	22.28	20.43	21.93	20.19

	Business Inventories		Defense Shipments	
	Fore.	C. E.	Fore.	C. E.
May, 1979	402.0	401.8	3.00	2.80
June	407.7	407.6	3.39	2.03
July	411.8	413.8	3.21	2.78
August	416.6	418.9	3.35	3.01
September	421.4	424.2	3.30	3.10
October	423.9	428.8	3.30	3.15
November	427.6	433.0	3.39	3.21
December	431.4	436.0	3.38	3.29
January	434.5	439.0	3.43	3.35
February	438.2	442.4	3.55	3.42
March	441.9	445.5	2.45	3.46
April	444.1	447.9	3.50	3.53
May	448.1	451.9	3.54	3.60
June	452.1	455.6	3.71	3.62
July	456.0	459.9	3.85	3.75
August, 1980	460.0	464.5	3.95	3.77

Fore. = August Forecast

C. E. = Current Expectations

PRICES

	CPI (unadjusted)		PPI Finished Goods		PPI-Industrial Commodities (unadjusted)		Agricultural Prices (unadjusted)		IVA Corp. (annual rate)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	214.1	214.1	212.4	212.4	231.1	231.1	246	246	33.6	33.6
June	216.6	216.6	213.4	213.4	233.5	233.5	244	244	29.4	29.4
July	218.7	218.9	215.8	215.8	237.2	237.2	246	244	48.8	39.2
August	220.8	221.1	217.7	217.3	239.6	240.4	243	237	46.2	42.2
September	222.6	223.7	219.7	220.4	241.7	243.8	247	241	45.7	44.5
October	224.6	226.4	221.6	223.0	243.5	246.7	252	246	41.5	53.1
November	226.4	228.8	223.5	225.2	245.8	249.1	255	247	38.9	41.3
December	227.6	230.7	224.9	227.0	247.3	251.0	251	245	36.9	39.2
January	229.2	232.7	226.7	228.8	249.6	253.0	256	245	34.3	31.6
February	230.3	234.4	227.9	230.4	251.2	255.0	260	253	32.7	31.2
March	231.4	236.3	229.2	232.3	253.1	257.3	262	258	33.5	27.1
April	233.9	238.2	231.3	234.1	256.2	259.9	266	262	35.6	29.9
May	235.9	240.0	233.4	236.0	258.0	262.2	270	265	36.4	31.1
June	238.1	241.9	236.9	237.6	261.0	264.3	265	264	36.9	29.3
July	240.2	243.7	238.7	239.3	263.1	266.2	267	268	37.0	33.4
August, 1980	242.3	245.4	240.5	241.0	265.2	268.3	264	266	38.2	37.3

MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 \$)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	-2480	-2480	141.1	140.2	23301	2331	1419	1421
June	-1900	-1900	140.9	139.8	2344	2357	1415	1428
July	-2025	-1110	140.9	139.1	2360	2383	1422	1434
August	-2210	-2360	140.3	139.1	2373	2390	1417	1426
September	-2435	-2535	139.6	138.7	2376	2411	1409	1425
October	-2713	-3095	138.5	137.6	2388	2432	1406	1425
November	-2615	-2631	138.2	136.9	2402	2439	1405	1419
December	-2432	-2239	138.5	136.5	2420	2433	1407	1405
January	-2615	-2364	138.9	136.2	2445	2453	1413	1408
February	-2812	-2592	139.3	135.5	2460	2451	1413	1395
March	-2739	-2773	139.2	135.3	2474	1447	1414	1384
April	-2695	-2664	139.2	135.8	2489	2466	1414	1386
May	-2665	-2393	139.5	136.4	2506	2479	1414	1384
June	-2699	-2318	139.9	136.9	2531	2507	1419	1390
July	-2643	-2302	140.4	136.9	2548	2527	1419	1392
August, 1980	-2595	-2009	140.9	137.7	2566	2550	1420	1395

Fore. = August Forecast
C. E. = Current Expectations

FINANCIAL MARKETS

	Monetary Base		M1		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	145.5	145.5	364.5	364.5	893.8	893.8	10.22	10.22	9.56	9.56
June	146.7	146.6	369.3	369.0	904.1	904.4	10.27	10.27	9.13	9.13
July	147.9	148.0	372.3	372.1	913.6	914.1	10.42	10.42	9.19	9.19
August	148.6	149.4	373.3	374.3	917.6	922.5	10.73	10.88	9.45	9.45
September	149.3	151.0	374.6	377.6	922.2	931.1	10.17	11.33	9.41	10.13
October	150.1	151.9	376.5	379.7	927.9	935.2	9.83	14.15	9.16	12.02
November	150.9	152.3	377.7	380.8	933.8	938.8	9.47	13.75	8.79	11.56
December	151.7	152.9	378.9	382.4	939.7	943.7	9.38	12.62	8.48	10.49
January	152.5	153.5	379.2	384.2	944.6	950.0	9.25	12.21	8.49	10.26
February	153.3	154.2	379.5	386.3	949.9	957.1	9.15	11.46	8.45	9.98
March	154.1	154.7	380.4	387.4	955.5	962.7	9.15	10.93	8.35	9.76
April	155.1	155.2	382.3	388.3	963.7	967.8	9.06	10.52	8.32	9.45
May	156.0	155.6	385.0	389.5	971.5	973.7	8.89	10.21	8.25	9.22
June	156.9	156.0	387.1	390.6	976.9	978.4	8.84	10.05	8.21	9.12
July	157.9	156.7	388.9	392.7	983.7	986.6	8.79	9.89	8.16	8.96
August, 1980	158.8	157.5	390.5	395.0	990.6	995.3	8.74	9.85	8.11	8.79

	Aaa (Seasonal)		Municipals		Commercial Paper		90 Day CD's		Prime Rate	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
May, 1979	9.51	9.51	6.27	6.27	9.98	9.98	10.13	10.13	11.75	11.75
June	9.32	9.32	6.13	6.13	9.75	9.75	9.99	9.99	11.63	11.63
July	9.21	9.18	6.04	6.13	9.71	9.80	9.80	10.04	11.50	11.63
August	9.20	9.23	6.12	6.20	10.15	10.36	10.33	10.58	11.80	11.88
September	9.01	9.44	6.04	6.52	9.92	11.58	10.05	11.79	11.65	13.13
October	9.06	9.86	6.06	7.00	9.67	13.69	9.75	14.05	11.40	14.55
November	9.12	9.91	6.08	6.93	9.31	13.56	9.46	13.97	11.11	15.65
December	9.09	9.74	6.01	6.72	9.26	12.40	9.30	12.65	10.95	14.36
January	9.01	9.67	5.95	6.62	9.14	12.02	9.15	12.26	10.80	13.92
February	8.84	9.51	5.85	6.47	9.05	11.39	9.05	11.58	10.65	13.24
March	8.73	9.47	5.81	6.39	9.09	10.76	9.11	10.94	10.71	12.54
April	8.75	9.40	5.84	6.30	8.85	10.42	8.87	10.68	10.42	12.26
May	8.80	9.32	5.86	6.20	8.72	10.02	8.69	10.29	10.24	11.78
June	8.76	9.26	5.81	6.11	8.66	9.83	8.63	10.03	10.20	11.56
July	8.65	9.20	5.74	6.07	8.59	9.74	8.55	9.96	10.09	11.44
August, 1980	8.59	9.11	5.65	6.10	8.52	9.70	8.47	9.92	9.85	11.35

Fore. = August Forecast

C. E. = Current Expectations